

## Message Text

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PAGE 01 BRASIL 00893 021727Z

41

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 STR-04 EA-09 INT-05

CIAE-00 INR-07 NSAE-00 XMB-04 TRSE-00 OMB-01 AID-05

IGA-02 /055 W

----- 011974

P R 021600Z FEB 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 3651

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 0893

E.O. 11652: N/A

TAGS: BEXP BR

SUBJECT: SIDERBRAS STEEL EXPANSIONNLROGRAM

REF: (A) STATE 302121, DEC. 24, 1975; (B) RIO 3877

1. PARA 3 REFTTEL A) NOTED CONCERN OF US FIRMS THAT JAPANESE MAY AGAIN UNDERCUT COMPETITION IN BRAZILIAN STEEL EXPANSION PROGRAM. THE UNUSUALLY LOW PRICES REPORTEDLY OFFERED IN JAPANESE BIDS HAVE ALSO BEEN THE SUBJECT OF RECENT PRESS STORIES. BRAZILIAN ASSOCIATION FOR THE DEVELOPMENT OF A CAPITAL GOODS INDUSTRY (ABDIB) IS REPORTED TO HAVE COMPLAINED TO SIDERBRAS CONCERNING JAPANESE PRICES DESCRIBED AS "DUMPING PRICES" WHICH ARE EVEN UNDERCUTTING BIDS OF DOMESTIC PRODUCERS IN JOINT VENTURES WITH JAPANESE FIRMS.

2. EMBASSY MINERALS OFFICER WILL BE MEETING WITH ABDIB NEXT WEEK. FOLLOW-UP MEETINGS WITH SIDERBRAS AND INDIVIDUAL STEEL COMPANIES WILL THEN BE ARRANGED. IF USDOC CAN OBTAIN FROM US FIRMS ADDITIONAL SPECIFIC INFORMATION RE JAPANESE PRICING (ONLY ONE EXAMPLE CITED REFTTEL A), PLEASE FORWARD SOONEST IN ORDER TO BE OF USE FOR THESE MEETINGS. ALSO, IF POSSIBLE, USDOC REQUESTED PROVIDE SOME INSIGHT, AGAIN BASES ON EXPERIENCE OF US FIRMS, INTO SCENARIO OF BIDDING PROCEDURES AT THIS STAGE.

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PAGE 02 BRASIL 00893 021727Z

3. FYI: TO OUR KNOWLEDGE USIMINAS IS THE ONLY COMPANY THAT HAS  
BEGUN TO OPEN PRICE ENVELOPES. CSN OFFICIAL INFORMED US THAT  
PRICE ENVELOPES MAY START TO BE OPENED IN FEBRUARY BUT THAT  
DELAYS UNTIL MARCH APPEAR LIKELY. WE UNDERSTAND THAT COSIPA  
SCHEDULE BEHIND THAT OF CSN.  
CRIMMINS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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